BC Housing

Working together to create homes, choices and healthy communities

ANNUAL REPORT
1999 - 2000

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LETTERS OF PRESENTATION

July 17, 2000

Jan Pullinger
Minister of Social Development and Economic Security
Province of British Columbia

Minister:

I have the honour to submit for your approval the Annual Report of the British Columbia Housing Management Commission for the year ending March 31, 2000.

Sincerely,

Jim O'Dea
Chair, Board of Commissioners

July 17, 2000

The Honourable Garde B. Gardom
Lieutenant Governor of the Province of British Columbia

May it please Your Honour:

I have the pleasure to present the Annual Report of the British Columbia Housing Management Commission for the year ending March 31, 2000.

Sincerely,

Jan Pullinger
Minister of Social Development and Economic Security and
Minister Responsible for Housing

MINISTER'S MESSAGE

Jan Pullinger

Housing is about people and about communities. Each community is unique in the housing challenges it faces. Each is also unique in its members' successes in working together to identify local solutions to local needs.

Over the past few months, in visiting communities across the province, I have been inspired by the dedication and commitment of the individuals and groups I have met. Not only are they working to build healthy and vibrant communities, but they are also working to reconnect with the hopes and values of BC families and to provide opportunities for all British Columbians to participate equally and fully in community life – a commitment which defines who we are as a province.

The role of the provincial government, co-ordinated through BC Housing, is to support locally-driven housing initiatives and to work with communities to identify new ways of responding to the diverse range of housing needs. In addition to providing a place to call home, increasing affordable housing choices is part of the government's broad-based approach to fighting poverty and complements existing programs and initiatives designed to close the gaps for many families and individuals. Together with BC Housing, it is our goal to work to support communities in practical ways to move new affordable housing ideas off the drawing board and turn them into reality for British Columbians in need.

Over the past year, working in partnership with housing co-ops, non-profit societies, various levels of government and other housing partners, BC Housing delivered an expanded HOMES BC program both in terms of the number of units and the range of needs to be addressed. This expanded program, in combination with the other programs and strategies which currently exist, has given communities the flexibility to respond to a wider range of housing needs including providing housing for those who are homeless or at risk of homelessness and supported housing for seniors. It also includes providing rent assistance to seniors and individuals with special needs living in private rental housing.

Home by home, community by community, I believe that together with our housing partners we will continue to make a lasting contribution to the social and economic well-being of individuals, families and communities across the province.

Jan Pullinger
Minister of Social Development and
Economic Security and
Minister Responsible for Housing

CHAIR'S MESSAGE

Jim O'Dea

This has been a year of reflection and change at BC Housing – a year where the Board and senior management have worked together to create a common vision and understanding of the work that needs to be done to respond effectively to the challenges we face in addressing housing needs across the province.

The development and implementation of the Corporate Plan that was adopted by the Board of Commissioners in July 1999 was instrumental in helping us to capture our vision and to identify strategies and opportunities for moving forward on those things which are important to us.

In going through the corporate planning process, we were challenged to think about what it means to be a social housing landlord and about what it means to truly work in partnership with the housing sector. We recognized that our work reaches far beyond building and managing social housing. It is about working to foster healthy, active and inclusive communities and about being an organization that strives to be responsive to the needs that exist. This is largely accomplished by having a constant respect for the values embodied in *home*, *dignity* and *community* and through a personal commitment not only to what we do but also to working to continually improve. It is also about a commitment to working creatively to respond to existing and emerging needs and about a commitment to building an organizational culture that respects and values the expertise that exists at the local level. Through this commitment at all levels in the organization, I know that we will find new and innovative ways to assist those, who because of broad social and economic forces, have found themselves with increasingly fewer housing options.

While the Corporate Plan has helped us to identify areas where we would like to continue to work together to improve on what we do, over the past year, in collaboration with our housing partners, we have also worked to implement a number of important changes in our existing policies and programs. These changes, I believe, have helped us to redefine our relationship with the housing sector and to improve our overall effectiveness. These changes have also allowed us to put into place new approaches, that will ultimately better meet the housing needs of British Columbians. The elimination of our applicant referral policy, the simplification of the rent calculation process and the establishment of a land policy are all examples of some of the positive and important changes that we have made, with our housing partners, together over the past year. These are also changes that have helped to move us closer to our vision of *working together to create homes, choices and healthy communities*.

The government's continued leadership in the development of affordable housing choices has also been a critical factor in successfully fulfilling our mandate and meeting the objectives set out in our business plan for this year. The announcement of the expanded HOMES BC program in June 1999 has provided us with an opportunity to work even more closely with communities across the province and has given us greater flexibility in responding to the diversity of needs that exist.

As I reflect on the past year, I am proud of our achievements and what we have been able to accomplish by working together. It has been both a challenging year, as well as one which has been filled with a lot of excitement and opportunity – one which has helped to create a solid foundation from which we can continue to build.

Jim O'Dea
Chair, Board of Commissioners

CEO'S MESSAGE

Shayne Ramsay

It has been my pleasure to be appointed recently as BC Housing's Acting Chief Executive Officer and to see the successes of the past year. The 1999/2000 Annual Report demonstrates the tremendous leadership and dedication shown by members of the Board of Commissioners, staff, tenant representatives, the housing sector and other partners in working to respond to the housing needs of British Columbians.

This was an important year for BC Housing in many ways. The expansion of the HOMES BC program to 2,400 units to be delivered over two years has enabled BC Housing and the housing sector to make gains in responding to the large, unmet need for adequate, decent and affordable rental housing across the province. By the end of the fiscal year, over two-thirds of the 2,400 units had received provisional project approval.

We are continuing to work in partnership with community agencies and other provincial partners to respond to the diversity of existing needs. In 1999/2000 we took new steps to work with other agencies to enable tenants to access the support services they need to regain or maintain their independence. We have also continued to support community-based activities designed to strengthen community ties and promote the development of healthy, active and inclusive communities.

This has also been an important year for looking at our business and operating strategies. To some extent this was facilitated by two major external reviews that were carried out over the past year. Through the recommendations in these reviews we have the opportunity to look critically at how we carry out our core business activities and with our partners identify new ways to operate more effectively. While the reviews identified areas where we can strengthen what we do, there was clear recognition that we are doing a good job – a finding which attests to the hard work and dedication of BC Housing staff.

This annual report highlights many of the past year's achievements. These accomplishments reflect the importance of working in partnership to identify innovative and cost-effective strategies for responding to existing and emerging housing needs. To all of the staff at BC Housing, I would like to extend my thanks and congratulations for meeting our stated goals, and to thank outgoing CEO Peter Robinson for his leadership over the past year. In addition, on behalf of all staff, I would like to thank BC Housing tenants and all of the housing partners with whom we share our achievements and future challenges.

Shayne Ramsay
Acting Chief Executive Officer

STRATEGIC OVERVIEW

Ground breaking with the Bridge Housing Society for Women, 48 units of housing in Vancouver's Downtown Eastside.

Government's Priorities

The provision of adequate, decent, affordable rental housing is an important government priority. In spite of the federal government's decision in 1994 to withdraw funding support for the development of new social housing, British Columbia is one of only two provinces in Canada which has maintained a commitment to the development of new social housing through a comprehensive housing program.

Under the HOMES BC program which was first introduced in 1994, the provincial government made the commitment to maintain the provincial contribution to social housing at the same level as it had been under previous federal/provincial programs. This meant the development of 600 new units of social housing per year. This commitment was further enhanced in 1999 through the government's announcement of an expanded program to be delivered in 1999 and 2000.

The expanded program included an increase in the number of units to be delivered, and created the potential for a broader array of housing initiatives to be put into place such as the development of supportive seniors housing in partnership with local health authorities, the initiation of multi-service housing which combines second-stage and emergency housing, and an increase in the number of units available to low income singles. The decision to expand the HOMES BC program came about not only in response to emerging housing needs but also in recognition that the development of social housing is a permanent investment in the economic and social well-being of communities.

The provision of adequate, decent, affordable rental housing is also essential in terms of the health and well-being of individuals and families across the province. Not only does access to such housing help to provide a foundation upon which individuals and families can build stable and productive lives, but it also

provides a sense of place, a sense of dignity and a sense of community – values that are intrinsic to the work of BC Housing.

Housing Need

Housing affordability can be described as both a housing problem and an income problem. It is a housing problem in the sense that many individuals and families, because of broad social and economic forces, are not able to find housing in their community which is large enough for their household and which is in good repair without spending more than 30 per cent of their income on rent. Current research suggests that this is the case for approximately one in three renters across B.C. and that between 1991 and 1996, there was an increase of approximately 11,000 households that would fall into this category (CMHC Core Need Data, 1996).

Housing affordability is also an income problem because those with the lowest incomes are those who are most dramatically affected. Because of a variety of circumstances, an increasing number of households are vulnerable to homelessness. These are individuals and families who, because of poverty and other factors, have limited choices available to them in terms of accessing suitable housing that they can afford. There is also growing concern that homelessness is increasing with the increasing visibility of those who are homeless. Furthermore, while housing alone may not fully address the needs of many segments of the homeless population, it is important to recognize that housing is an essential starting point and a first step to creating stability.

British Columbia's Housing Challenges

Affordability
All British Columbians should have access to housing that meets their needs, at a cost they can afford and with a reasonable degree of choice in tenure, building type and location.

Diversity
British Columbia communities should be inclusive and diverse, contain a variety of affordable housing options, and provide the services and amenities required for the health, security and stability of all their citizens.

Sustainability
Housing development must respect and protect the environment, creating communities that are both socially and economically sustainable. Housing in British Columbia should be planned and developed in keeping with careful stewardship of the province's air, water and land.

British Columbia's *Strategy for Affordable Housing*, April 1996

BC Housing's Role

The British Columbia Housing Management Commission (BC Housing) is the agency responsible for the delivery of the province's social housing programs. BC Housing's mandate is to facilitate the provision of secure, well-managed, affordable housing. In fulfilling its mandate, BC Housing is responsible for:

- Working with non-profit societies, co-operatives, other government ministries and development resource groups to create new housing options;
- Administering agreements and managing the flow of subsidies for housing built under a mix of programs;
- Working with other ministries to provide management support for group homes and special needs residences, as well as co-ordinating the development of new group homes across the province;
- Providing direct management for public housing;
- Maintaining an applicant registry and allocating housing according to applicant need and the availability of suitable accommodation; and
- Delivering targeted rent supplements and other housing assistance programs such as SAFER (Shelter Aid For Elderly Renters) and SILP (Supported Independent Living Program).

Organizational Structure

The alignment of resources and an organizational structure which can effectively support the organizations' activities is critical to the success of an organization. This section provides an overview of BC Housing's organizational structure and highlights the primary areas of responsibility and accountability.

BC Housing's Board of Commissioners

BC Housing is governed by a Board of Commissioners appointed by Order-in-Council. The Board of Commissioners is responsible for managing and supervising the affairs of BC Housing in a manner consistent with the powers established under the *British Columbia Housing Management Commission Regulation*. Through the establishment of an effective governance and organizational structure the Board has been very active in setting and monitoring BC Housing's strategic direction and goals. At March 31, 2000 the Board consisted of 13 members including a full-time Chair.

Office of the Chair

The Chair represents the Board in its accountability to the Minister Responsible for Housing. The office of the Chair is responsible for providing effective leadership and for ensuring that the Board fulfills its duties and responsibilities. Effective leadership also requires that the Chair provide direction to the Chief Executive Officer in matters concerning the interests and management of BC Housing. The office of the Chair also serves as a liaison between BC Housing and the Government of British Columbia, and other key stakeholders.

Office of the CEO

The Chief Executive Officer is responsible for ensuring BC Housing delivers high-quality services and programs that are responsive to client needs. In addition to overall administrative responsibility for the staff and operations of BC Housing, the office of the CEO works closely with both the Chair and the Board of Commissioners to implement policies and strategic initiatives. The office of the CEO includes the Executive Office and Corporate Communications.

STRATEGIC OVERVIEW

Client Services Branch

The Client Services branch works with applicants, tenants, advocacy groups and BC Housing's non-profit and co-operative housing partners. Client Services is responsible for processing housing applications, referring applicants to BC Housing's directly managed housing, and administering the priority placement program and rent subsidy programs including the Shelter Aid for Elderly Renters (SAFER) program. The branch also provides administrative and financial services to the non-profit and co-op housing sector and the Provincial Rental Housing Corporation (PRHC) group home portfolio. The branch supports tenants through the provision of Tenant Association Grants and a Bursary Program, and funds the Community Housing Initiatives program.

Executive Committee: *Standing left to right: George Lawrie, Director, Regional Operations; Peter Stobie, Director, Corporate Services; Irene Young, Chief Financial Officer and Director, Financial Services; Agnes Ross, Director, Personnel and Labour Relations; Michelle Neilly, Director, Client Services; Seated left to right: Susan Thom, Director, Corporate Communications; Shayne Ramsay, Acting CEO; Alison Brookfield, Manager, Corporate Affairs; Craig Crawford, Director, Development Services*

Corporate Services Branch

The Corporate Services branch provides specialized expertise and services to ensure the efficient and effective delivery of BC Housing's programs and services. Corporate Services includes purchasing, information systems, legal services, research and corporate planning, office services and records management.

Development Services Branch

The Development Services branch works in partnership with non-profit societies and co-operatives to deliver HOMES BC – the province's housing program. The branch also facilitates other affordable housing initiatives in response to community needs, and develops group homes and other facilities for other sponsoring ministries. Development Services includes real estate, technical and project co-ordination services.

Financial Services Branch

The Financial Services branch oversees all financial activities of BC Housing and the Provincial Rental Housing Corporation (PRHC) including construction financing, investment, budgeting, accounting, payroll and mortgage administration.

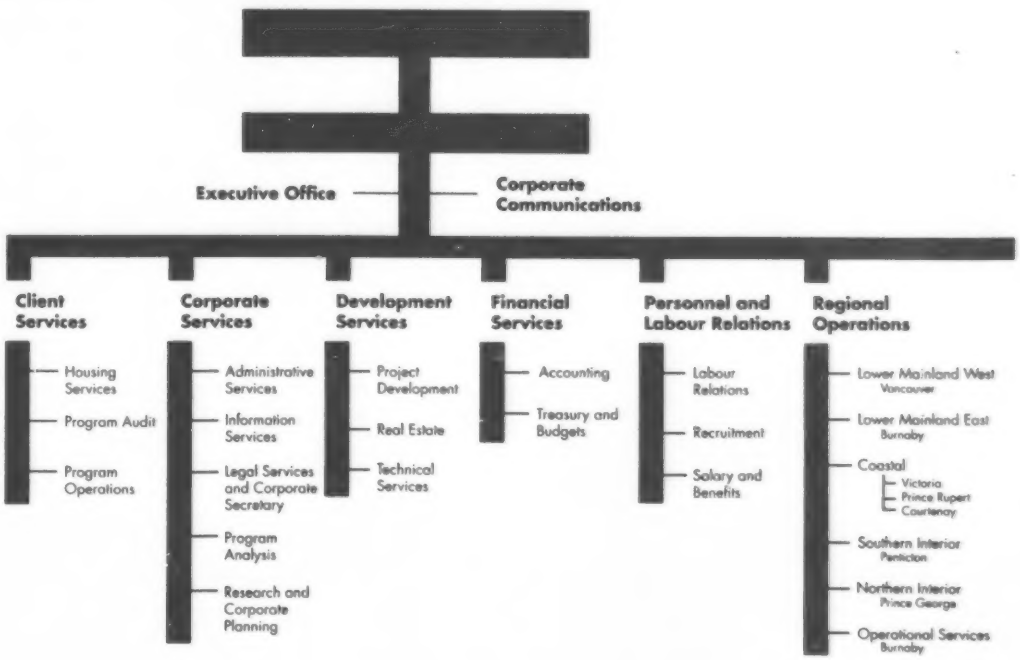
STRATEGIC OVERVIEW

Regional Operations Branch

Through five regional and two area offices in communities across the province, the Regional Operations branch provides direct management services for BC Housing's directly managed portfolio and group homes on behalf of other ministries. It also provides administrative and technical support to non-profit and co-operative housing providers and carries out regular operational reviews. In addition to supporting the work of the Public Housing Advisory Council, the branch also coordinates the delivery of the Health Services Program and tenant programs in BC Housing's directly managed portfolio such as People, Plants and Homes (PPH) and the Student Tenant Employment Program (STEP).

Personnel and Labour Relations Branch

The Personnel and Labour Relations branch is responsible for ensuring that there are staff with the necessary skills to meet BC Housing's short-term and long-term objectives. To do this, the branch provides assistance to staff and management in areas such as recruitment, labour relations, negotiations, compensation, job evaluation, benefits, training, employment equity, multiculturalism and occupational health and safety.



BUSINESS REVIEW

1999/2000 Corporate Plan

Over the past year, the Board of Commissioners and senior management worked together to put into place a Corporate Plan which clearly articulated core values, vision and guiding principles for the organization as well as identified key strategic priorities for 1999/2000. Outlined following are the strategic priorities which were identified and an overview of some of the major accomplishments over the past year.

Strategic Priorities for 1999/2000

Increased affordable housing

The need for affordable housing is evident not only in terms of the number of applicants on BC Housing's applicant registry but also in terms of the number of calls received from people seeking affordable housing. As of March 31st, 2000, BC Housing's applicant registry included the names of more than 10,700 households in need of affordable housing. In addition, Housing Services staff responded to an average of 5,353 phone inquiries and processed approximately 360 new housing applications each month. Considering that in addition to those households on

BC Housing's Strategic Plan

Core Values
Home, dignity and community

Vision
Working together to create homes, choices and healthy communities

Guiding Principles
- Building alliances and partnerships;
- Respecting community leadership and expertise;
- Protecting the public investment in social housing;
- Community participation;
- Respect and responsiveness;
- Creativity, innovation and teamwork;
- Diversity of people and ideas; and,
- Maintaining the highest standards of integrity, quality and competence.

Key Strategies
- Multilevel partnerships
- Community consultation and participation
- Efficient use of public resources
- Innovative approaches to developing more units
- Business activities and relationships managed to meet key strategic objectives
- Effective communications, public relations and advocacy
- Building community capacity
- Research to support decision making, communications and community development
- A work culture of trust, continuous improvement and anticipation of need.

Strategic Priorities for 1999/2000
- Increased affordable housing
- Broadened housing options to meet diverse needs
- Well-managed, sustainable housing
- Healthy, active and inclusive communities
- Increased public awareness and political support
- A responsive, adaptive and accountable organization

BUSINESS REVIEW

BC Housing's applicant registry, non-profit societies and co-operatives also maintain waiting lists containing numerous households, it is clear that there is a significant need for access to decent, affordable rental housing.

Minister of Social Development and Economic Security Jan Pullinger (centre) joined Nanaimo Kiwanis Club President Ted Benkhe (left) and Nanaimo MLA Dale Lovick (right) to announce provisional project approval for 30 units of supportive seniors housing. The City of Nanaimo waived municipal fees to facilitate the development.

Given this need, the number of individuals who are homeless, and the increasing numbers of individuals and families facing extreme affordability problems, a commitment to deliver all of the units announced under the expanded HOMES BC program within a two year time frame was identified as a key element of the 1999/2000 Corporate Plan. As a result, staff in Development Services processed an unprecedented number of proposals from communities across the province, and have also actively explored other ways to expand the supply of affordable rental housing including the potential purchase of existing condominiums and the use of partnerships, project efficiencies and equity contributions as a means of leveraging additional housing units.

Municipal Partnerships

By actively seeking and securing partnerships with other levels of government, BC Housing is able to use the same number of provincial dollars to build a greater number of affordable housing units.

In 1999/2000, the following municipalities facilitated affordable housing in their communities by donating sites outright or leasing them to non-profit societies for terms of 60 years at rents ranging from a nominal rent to 75 per cent of freehold market value:

- City of North Vancouver
- Dawson Creek
- Lake Cowichan
- Midway
- Prince George
- Richmond
- Saanich
- Vancouver

The following municipalities provided assistance to affordable housing developments through contributing equity or waiving or rebating all or some of the municipal levies:

- City of North Vancouver
- Kamloops
- Lake Cowichan
- Nanaimo
- Sechelt
- Summerland
- Vancouver
- Vernon

HOMES BC

BUSINESS REVIEW

Children at To'o playground, 23 units of housing in Mission.

Left: Built in 1975, Sunset Towers provides 490 units of supportive housing for seniors and adults with disabilities.

Right: Sonja's Gardens, 35 units of family housing in Cranbrook.

Cariboo Trail Terrace, 25 units of family housing in 100 Mile House.

BROADENED HOUSING OPTIONS TO MEET DIVERSE NEEDS

HOMES BC

The need to create broadened housing options to meet diverse needs was identified as a key priority in 1999/2000. Through the expanded HOMES BC program, BC Housing has been given a broader mandate not only in terms of the number of units to be delivered, but also in terms of the housing needs that can be addressed.

The expanded HOMES BC program has given BC Housing greater flexibility in responding to the needs that exist in communities across the province.

The expanded program includes the development of supportive seniors housing, the creation of multi-service housing that combines second stage and emergency housing, and an increased number of units available to respond to the needs of low income singles. The expanded HOMES BC program has also given BC Housing greater flexibility in responding to the needs that exist in communities across the province. This, in turn, has increased overall effectiveness in finding solutions to housing problems and in creating broadened housing options for those in need of affordable housing.

It is important to recognize that each community is unique in the housing issues and challenges it faces and in its need for affordable housing. For some communities, more supportive seniors housing may be needed, while others may require a shelter for people who are homeless. Over the past year, through the expanded HOMES BC program BC Housing has been able to forge important and enduring partnerships with local governments and local agencies and put into place initiatives that better respond to local housing needs.

Responding to Emerging Needs Through Existing Social Housing

In addition to the development of new housing, there are also a number of initiatives put into place in BC Housing's existing social housing portfolio in response to changing and emerging housing needs. This includes the Sunset Towers Advocacy Resource office and the BC Housing Health Services Program. Both initiatives are strong examples of meeting individual needs through an integrated approach to housing and support that ensures that individuals are better able to regain or maintain their housing and their independence.

Sunset Towers Advocacy Resource Office

Sunset Towers in Vancouver's West End is one of BC Housing's largest developments, with 490 studio and one-bedroom units for seniors and adults with disabilities. In response to growing concerns about an increasingly frail and isolated senior population and other concerns in the building, BC Housing created the Sunset Towers Advocacy Resource (STAR) office to respond to residents' needs and to improve the coordination of outside services. Since the office was opened, outreach coordinators have launched 17 tenant programs and initiatives, such as a regular newsletter, health promotion and fitness classes, a health clinic, ESL classes, a tenant social committee, computer tutorials, and music, cooking and reading programs. In 1999/2000, the office responded to an average of 347 requests for assistance per month. Ongoing funding for

the STAR office is provided by the Vancouver/ Richmond Health Board.

BC Housing Health Services Program

"I appreciate all the time you took to get my family in housing. I cannot explain how much our lives are going to change. Thank you for everything. It has been hard, but we made it."
Tenant and client of the BC Housing Health Services Program.

This testimonial reinforces the importance of programs such as the BC Housing Health Services Program, which began in the early 1990s as a partnership between BC Housing and the Ministry of Health. Since its inception, 586 clients have been housed in non-profit developments and BC Housing's directly managed housing, and the program has received national recognition through the Clarke Institute of Psychiatry as a Best Practices Model in mental health reform.

The program provides support services to social housing providers who have partnered with BC Housing to increase access to subsidized housing for people with mental illness. Services include:

- consultation services to tenants who have a mental illness, behavioural problem, and/or other health issues to ensure that appropriate support services are in place to facilitate the maintenance of the tenancy;
- education designed to promote a better understanding and awareness of mental illness; and
- support during traumatic events.

Program staff work closely with housing providers in the provision of these services and have formed strong alliances with a number of non-profit societies.

WELL-MANAGED, SUSTAINABLE HOUSING

The existing inventory of social housing represents an important investment in communities across the province and an important asset for responding to the on-going need for affordable housing. As the agency responsible for the delivery of the province's social housing programs, BC Housing has an important role to play in working in partnership with the housing sector and housing partners in delivering well-managed, sustainable existing housing.

The existing inventory of social housing represents an important investment in communities across the province and an important asset for responding to the on-going need for affordable housing.

Given the importance of preserving and maintaining existing social housing and ensuring its long term future viability, capital planning for modernization and improvement has always been an important part of the work of the Regional Operations branch. The 1999/2000 modernization and improvement program included the initiation of 264 capital projects to be carried out across 90 developments or approximately 85 per cent of BC Housing's directly managed housing. With the aging of the social housing portfolio and the potential devolution of responsibility for the administration of the older federal social housing portfolio, the preservation and maintenance of existing social housing has been identified as an ongoing and important area for future years.

BUSINESS REVIEW

Sunset Towers Revitalization

A revitalization project for BC Housing's Sunset Towers development was announced in May 1999, to address both the physical and social development needs of the community in a four-year renovation and revitalization plan. Developing the plan was a consultative process and included tenants, the Vancouver/Richmond Health Board, service providers, neighbours from the broader community, the West End Seniors Network and St. Paul's Hospital.

Refurbished wheelchair-accessible laundry rooms are one feature of the Sunset Towers revitalization.

As the largest single modernization and improvement project in 1999/2000, approximately $489,000 was spent on physical improvements and establishing the Sunset Towers Advocacy and Research office, which is now funded by the Vancouver/Richmond Health Board.

Healthy, active and inclusive communities

Housing people is at the centre of what BC Housing does. As a landlord of almost 8,000 units of social housing, we are conscious of the impact that we can have on people's lives in terms of providing stability and a place to call home. We are also conscious of our role in helping to foster healthy, active and inclusive communities and of the importance of forging partnerships between tenants, staff and the wider community.

The Public Housing Advisory Council is a volunteer group of elected tenant representatives from across the province that works with BC Housing to enhance the well-being of tenant communities. The Council and the dedication of its members has an important and on-going role to play in helping to foster healthy, active and inclusive communities.

In addition to the work of the Council, BC Housing also supports a number of other programs and initiatives designed to promote a sense of belonging and build capacity at the local level. This includes support for the People, Plants and Homes program, the Student Tenant Employment program, the Bursary Program, the Tenant Conference, the Tenant Association Grant program and the allocation of a number of event-specific grants. The level of interest and involvement in these programs over the past year has continued to be high.

BC Housing's Emergency Preparedness Program and the on-going work of BC Housing's Multiculturalism Committee are also two key elements in BC Housing's strategy for building and sustaining healthy communities. Both of these programs involve working with our housing partners and others in the broader community.

People Plants and Homes (PPH)
Tenants living in developments managed by BC Housing are encouraged to become involved in urban gardening activities ranging from container balcony gardens to larger community plots for adults and children. This helps to create a sense of home and a sense of community. In 1999/2000 there were 4,082 participants in the program.

Student Tenant Employment Program
This program helps to increase the employability of youth living in BC Housing developments and is designed to develop skills, to build confidence and self-esteem among program participants. In 1999/2000 there were 54 participants in this program.

Bursary Program
The Bursary Program provides funding assistance to adult students and youth living in social housing who are pursuing education goals. In 1999/2000 there were 143 applicants to the Bursary Program and 47 awards given.

Tenant Conference
The Tenant Conference is one of a number of tenant-focussed programs designed to build community at the local level. The theme of the 1999 conference was "Change is the Name of the Game". There were 98 conference participants.

Tenant Association Grant Program (TAG)
BC Housing also provides annual funding for tenant programs in its directly managed housing. In 1999/2000 42 grants were given to tenant associations and tenant social committees as well as 50 event-specific grants.

Public Housing Advisory Council

Vision
The Council envisions self-determined communities with a strong support structure and suitable facilities, where everyone cares for each other and shows respect.

Strategic Goals
In 1999/2000, the Council participated in a strategic planning exercise where they developed an action plan. The action plan is supported by the following strategic goals:

1. To achieve better communication between the Council and tenants at large;
2. To become a more effective body;
3. To expand tenant involvement in their communities;
4. To provide constructive tenant input at appropriate levels of BC Housing;
5. To work in partnership with other social housing advocates.

BUSINESS REVIEW

Increased public awareness and political support

Public and political support is essential to breaking down negative attitudes about social housing and building healthy, sustainable communities. To build this support, BC Housing is committed to working in partnership with housing providers and community advocates to create a better understanding of the need for, and benefits of social housing.

Events and News Releases

One way that public and political support is increased is through planning and delivering community relations activities and information programs designed to raise awareness of the importance of affordable housing. Over the past year, BC Housing held or participated in 54 housing events including 28 ground breakings and opening ceremonies. In addition, BC Housing issued 106 news releases, resulting in 466 positive articles and broadcast transcripts about BC Housing and issues related to affordable housing.

BC Housing is committed to working in partnership with housing providers and community advocates to create a better understanding of the need for, and benefits of social housing.

Community Housing Initiatives

The Community Housing Initiatives program (CHI) and the nine regional housing centres funded through this program also have an important role to play in identifying and responding to local housing needs. The CHI program was first introduced in 1994 as a means of increasing the capacity of local communities to identify and take action on local housing problems. Under the CHI program, BC Housing provides funding to nine regional housing centres which

The Community Housing Initiatives Program (CHI) Business Plan

Working in collaboration with the nine regional housing centres, BC Housing helped to develop a two year business plan for the CHI program that identified the following key strategic priorities across the groups:

1. Building and strengthening community partnerships to promote and address affordable housing issues;
2. Identifying planning tools and supporting initiatives which will preserve and expand affordable housing;
3. Establishing a community resource base with information on affordable housing options and strategies for creating and sustaining healthy and inclusive communities;
4. Providing public education and community advocacy on housing needs and solutions both at the local level and in the context of the need for a broader national strategy; and
5. Creating a network of agencies across the province that know and understand local housing needs and have the ability to meet these needs.

work with key stakeholders in their communities to raise awareness of housing issues and to develop strategies for responding to local housing needs. This past year, in collaboration with BC Housing, the regional housing centres developed a business plan that reflects specific strategies and initiatives to be carried out over the next two years. The business plan adopted by the CHI groups at their networking conference will ultimately enable BC Housing and the CHI regional housing centres to measure and report back on the success of the program.

The Link and the Central Housing Registry

In addition to working at the local level to build support for social housing, it is also important to ensure that individuals and households across the province are aware of the range of housing options available and that they have as much information as possible to make informed decisions about their housing. In 1999/2000, BC Housing worked in collaboration with the BC Non-Profit Housing Association (BCNPHA) and the Co-op Housing Federation of BC to develop *The Link* – a comprehensive listing of affordable housing for families, seniors and disabled individuals. *The Link* includes general information about applying for affordable housing and lists resource groups that are knowledgeable about local housing issues. BC Housing has also been actively involved in meeting with housing providers in the Lower Mainland to develop a central housing registry. This registry is a priority for 2000/2001 and will help ensure that there is a co-ordinated approach to housing access in the Lower Mainland.

www.bchousing.org

BC Housing's internet site is an important business and communications tool designed to provide the general public, people in search of affordable housing and housing partners with information about BC Housing's programs and services and about affordable housing in British Columbia. The site has been operational since November 1998. In 1999/2000:

- There were approximately 50,000 visitors to the site, and the average visit lasted 13 minutes;
- 407 requests for information and publications were received;
- The annual report was downloaded an average of 280 times per month;
- The housing application form was downloaded an average of 177 times per month.

The Link

At the 1999 BC Non-Profit Housing Association Conference BC Housing launched *The Link* – a comprehensive listing of affordable housing choices across the province. Approximately 1,800 copies of *The Link* were distributed to the housing sector and community groups. In addition, the public can access *The Link* at Ministry of Social Development and Economic Security offices, BC Housing offices, government agent offices and public libraries. It can also be accessed on BC Housing's website at www.bchousing.org.

BUSINESS REVIEW

A RESPONSIVE, ADAPTIVE AND ACCOUNTABLE ORGANIZATION

Staff at BC Housing are committed to providing high quality service and to working in partnership with other levels of government, other ministries, the private sector, non-profit societies, housing co-ops, tenants and community-based agencies in order to respond effectively to housing needs in the community.

The provision of a high quality of services comes from both a personal commitment to the work of the organization and from a desire to continually try to do better. By fostering a culture of service quality, BC Housing will be able to continue to identify and respond quickly and dynamically to changing housing needs.

Through the 1999/2000 corporate planning process, a commitment was made to manage resources, partnerships and technology in order to add value and ensure that the greatest benefit is realized for the public, tenants and the organization. Over the past year, BC Housing received the results of two major external reviews. These reviews provided the opportunity for BC Housing to critically examine how we carry out our core business and to look at ways to improve. These reviews also emphasized the importance of strong leadership and governance.

While these reviews highlighted areas where BC Housing can improve and strengthen its performance, they also confirmed that BC Housing is doing a good job in the work that it does. Over the next year, BC Housing will be moving forward in collaboration with the housing sector on many of the recommendations made in these reviews. To facilitate the implementation of the recommendations, a number of working teams have been created. These teams will be working in collaboration with the housing sector and tenants to review our business processes and to introduce changes that will allow us to be more effective.

Compliance with legislated requirements and expected standards of conduct is also central to being an adaptive, responsive and accountable organization. In this regard, BC Housing continues to work to maintain the highest standards of conduct among employees in order to build and maintain the public's trust and confidence.

Staff Recognition

Many of the accomplishments over the past year have been the result of the hard work and dedication of BC Housing staff. Staff play an important role not only in responding to the needs of tenants but also in exercising leadership in the social housing sector and in looking for new and innovative ways to continue to meet housing needs.

Staff Working Teams

Areas under review as a result of the major external reviews carried out in the past year include:

- Income verification and rent calculation;
- Manageable costs;
- Revenue generation and cost effectiveness;
- Resource management;
- Replacement reserves;
- Financial and operational reviews;
- Housing allocations/registries;
- Community Services; and,
- Development Services.

Standards of Conduct

In addition to the directions set out under *the Human Rights Act*, all employees are required to comply with BC Housing's Standards of Conduct Policy, which sets out requirements in the following areas:

- Loyalty;
- Confidentiality;
- Public comments;
- Political activity;
- Workplace behaviour;
- Conflict of interest;
- Allegations of wrongdoing;
- Legal proceedings;
- Working relationships;
- Personnel decisions;
- Outside remunerative and volunteer work.

BC Housing also has a policy to provide a work environment that is free from any form of harassment and in 1999/2000 trained 342 staff from across BC Housing on harassment prevention.

Occupational Health and Safety

Management and supervisory staff from across BC Housing received comprehensive training in occupational health and safety including training on strategies for the prevention of violence in the workplace. This training was consistent with the requirements set out in the Workers' Compensation Board Occupational Health and Safety Regulations.

Freedom of Information

BC Housing is required to comply with the legislated requirements set out under the *Freedom of Information and Protection of Privacy Act*. In 1999/2000, BC Housing responded to 27 requests for information. In all cases, we were able to provide the information within the requested time frame set out in the Act.

Office of the Ombudsman

BC Housing is subject to the investigative powers of the Office of the Ombudsman. In 1999/2000, there were 68 situations which were brought to the attention of the Office of the Ombudsman. Of these cases, 12 were investigated. None of the complaints were substantiated or required remedies by the Office of the Ombudsman. These findings speak to BC Housing's commitment to maintaining the highest standards of integrity and competence in all of our programs and services.

BUSINESS REVIEW

Respect for Diversity

Multiculturalism and employment equity are important corporate priorities. BC Housing is committed to providing services in a manner that is sensitive to a culturally diverse workplace and community. In addition to implementing a three year employment equity plan which seeks to ensure that employment opportunities are available to members of designated groups who are traditionally under-represented in the public sector, BC Housing also has a multiculturalism policy and an active Multiculturalism Committee.

The strategic priorities and strategic objectives of BC Housing's Multiculturalism Committee:

Priority of Multiculturalism

Objective 1: *To achieve an internal environment of respect for diversity and an understanding of multiculturalism within BC Housing.*

Objective 2: *To ensure that the Multiculturalism Committee will have a strong voice at senior decision making levels within BC Housing.*

Sensitivity Amongst Staff, Tenants, and Contractors

Objective 1: *To ensure that all individuals and groups in contact with BC Housing will be immediately aware of the Multiculturalism Policy.*

Objective 2: *All policies, forms and procedures will be culturally sensitive and recognize issues of cultural diversity.*

Objective 3: *BC Housing will strive to encourage respect and tolerance for diversity within directly managed communities.*

Information and Access

Objective 1: *Open and equal access to housing information will be available to all cultural and ethnic groups.*

Operations of Non-Profit Societies and Co-operatives

Objective 1: *Non-profit and co-operative housing providers will be encouraged to include multiculturalism in their policies and procedures.*

Objective 2: *Multiculturalism will be included in operational and procedural reviews of non-profit and co-operative housing providers.*

1999/2000 Corporate Plan

The 1999/2000 Corporate Plan played an important role in increasing BC Housing's responsiveness and accountability as an organization. Through the planning process, BC Housing committed to putting into place clearly articulated goals and objectives and reporting regularly on our performance in meeting these goals. Through quarterly accountability reports to the Board of Commissioners which include both financial and non-financial measures of success, BC Housing increased the transparency of our activities. This reporting structure provides not only the Board of Commissioners but also the government and the general public with information on BC Housing's progress in meeting the priorities set for the organization in the corporate planning process.

BUSINESS REVIEW

BC Housing's Lower Mainland East staff celebrate their multicultural heritage under the banner "Building Community, Respecting Diversity".

Over the past year through the work of BC Housing's Multiculturalism Committee and in support of the goals of Multiculturalism BC, BC Housing undertook the following initiatives:

- The Multiculturalism Committee was expanded to include a representative from BC Housing's Board of Commissioners;
- Multiculturalism Week was celebrated by Home Office staff and Regional Office staff through potluck lunches and a Caribbean Festival;
- A booklet celebrating the cultural heritage of staff at BC Housing was created as part of BC Housing's Multicultural Awareness Project;
- A poster featuring a photo collage of staff was created along with the theme "Building Community, Respecting Diversity";
- There was a panel discussion on "Accepting Our Diversity" at the annual Tenant Conference;
- Collaboration with the Co-op Housing Federation of BC in sponsoring a one-day diversity workshop for members of housing co-ops in the Lower Mainland;
- Participation in a panel discussion at the BC Non-Profit Housing Association Conference on "Acceptance and Diversity" as well as support for the BC Non-Profit Housing Association in the development of policy templates for non-profit societies that include strategies for building inclusive communities.

BUSINESS REVIEW

Future planning

The 1999/2000 Corporate Plan has helped create a solid foundation from which BC Housing can continue to build. Not only does the 2000/2001 Corporate Plan emphasize the importance of preserving and expanding the existing stock of affordable rental housing to respond to the diversity of housing needs across the province but it also reinforces BC Housing's commitment to respect community leadership and to ensure that the strategies that are developed and implemented take into account the diversity of needs that exist.

BC Housing is working to develop a better understanding of the relationship between housing and health and looking at how the organization can effectively respond to the changing needs of tenants living in social housing.

The 2000/2001 Corporate Plan also includes a commitment to building a strong and sustainable financial base for BC Housing and ensuring that effective long term financial and capital plans are in place. This includes the ongoing discussions related to the potential devolution of administrative responsibility for the older federal social housing portfolio and ongoing work to ensure that appropriate plans are in place to address the aging social housing stock – priorities reflected in the 2000/2001 Corporate Plan.

In addition, BC Housing is working to develop a better understanding of the relationship between housing and health and looking at how the organization can effectively respond to the changing needs of tenants living in social housing. This will be accomplished through working in partnership with other ministries and agencies that have a shared interest, and through exploring alternative delivery models such as the approach taken at seniors development Sunset Towers. In looking at strategies that can be developed, BC Housing will continue to emphasize an integrated and enabling approach and seek to identify programs and services in the broader community which are available to promote the economic, physical and mental well-being of tenants.

Finally, the implementation of the recommendations arising from the reviews carried out by the Office of the Auditor General and Treasury Board staff will also continue to be a significant part of the 2000/2001 workplan. In responding to the recommendations, we will work with tenants and the housing sector to change business processes in ways that are understandable, manageable and effective while ensuring the that the organization's financial health remains strong.

The priorities established for 2000/2001 are no doubt ambitious, but it can be said that if it is a challenging year, then it will also be one which is filled with excitement and opportunity.

BC Housing

REPORTING ON PERFORMANCE

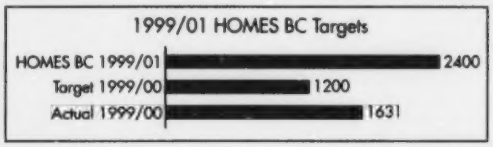
Performance reporting helps us to measure the effectiveness of our strategies and our progress in moving forward on our priorities. Over the past year, BC Housing has worked to create a quarterly accountability report which tracks our performance in key areas. Taking into account the key strategic priorities and business plan objectives outlined in the 1999/2000 Corporate Plan, this section of the report provides an overview of our performance in each of the key areas and begins to answer the following questions:

1. Were we successful in increasing the supply of affordable rental housing stock?
2. Were we able to create a broadened range of housing options to meet diverse needs?
3. Were we effective in the strategies we adopted:
   - Is the housing provided well-managed and sustainable?
   - Have we been successful in creating healthy, active and inclusive communities?
   - Have we been successful in increasing public awareness and political support for affordable housing?
   - Have we been successful in maintaining a responsive, adaptive and accountable organization?

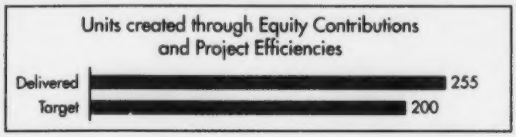
Highlights of our major accomplishments for 1999/2000 are shown below.

Increased Affordable Housing

Out of 2,400 units approved by Cabinet to be delivered over 1999/2000 and 2000/2001, 1,631 units received provisional project approval. This exceeds the target of a minimum of 1,200 units set out in the 1999/2000 business plan and represents more than two-thirds of all units announced under the 1999–2000 HOMES BC program.

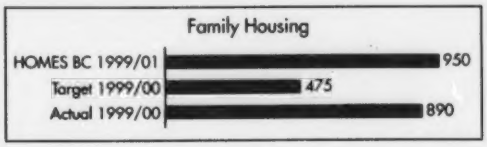


The creation of additional units through equity contributions and project efficiencies was one of the targets set out in the 1999/2000 business plan. In 1999/2000, it is estimated that an additional 255 units were created through equity contributions and project efficiencies. This exceeds the target of 200 additional units as set out in the business plan.



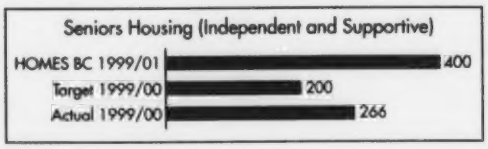
REPORTING ON PERFORMANCE

Broadened housing options to meet diverse needs



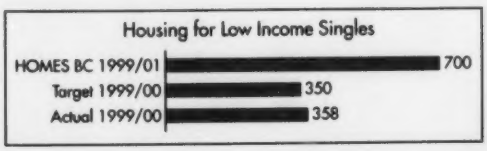
Family Housing

Based on the 1996 Census, there are approximately 220,500 families in B.C. who rent. Of these, approximately 1 in 5 pay 50 per cent or more of their income on rent. These are households with extreme affordability problems. As part of the 1999–2000 HOMES BC program, Cabinet approved 950 units of family housing to be delivered over a two year time frame. In 1999/2000, 890 units received provisional project approval. This represents 94 per cent of the total units to be delivered over the two years.



Seniors Housing

Seniors housing needs tend to be reasonably well-served through greater access to social housing and through rent assistance provided under the Shelter Aid for Elderly Renters (SAFER) program. However, the 1996 Census showed that there were approximately 14,000 seniors in B.C. paying 50 per cent or more of their income on rent. As part of the 1999–2000 HOMES BC program, Cabinet approved the delivery of 200 units of independent seniors housing and 200 units of supportive seniors housing. As of March 31, 2000, 266 of these units had received provisional project approval, representing 67 per cent of all seniors units to be delivered with the established two year time frame.



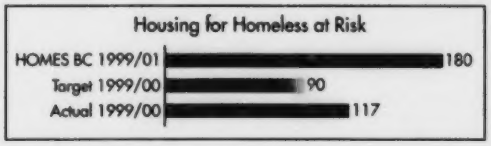
Housing for Low Income Singles

Based on the 1996 Census, single person households made up almost half of all households paying 50 per cent or more of their income on rent. In recognition of the increasing challenges faced by low income singles, 700 units of housing targeted to low income singles were approved by Cabinet as part of the 1999–2000 HOMES BC program. To date approximately 358 units have received provisional project approval. This represents approximately 51 per cent of all units to be delivered within the established two-year time frame.

REPORTING ON PERFORMANCE

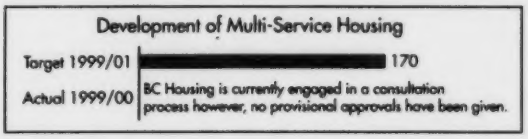
Housing for Those Who are Homeless or at Risk of Homelessness

Housing developed under the Homeless at Risk component of the HOMES BC program is designed to respond to specific housing/support needs. One of the underlying goals of the program is to support individuals in their housing and allow them to regain or maintain their independence. Housing developed under this program generally involves the co-ordination of services and support funding with other ministries. As part of the 1999–2000 HOMES BC program, approximately 180 units were approved by Cabinet to be delivered over a two year time frame. As of March 31, 2000, 117 units had received provisional project approval. This represents approximately 65 per cent of the units to be delivered.



Multi-Service Housing

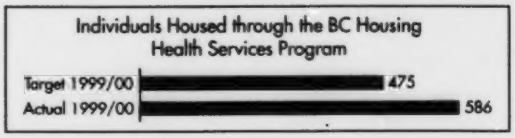
In response to increasing concerns about homelessness, Cabinet approved the allocation of 170 units for the development of multi-service housing. This is combined second stage and short term housing designed to assist individuals in making the transition from homelessness to second stage and permanent housing. This housing is being developed in consultation with communities across the province. As of March 31, 2000 four proposals were under consideration; however none of these have reached provisional project approval stage. It is expected that all of the units will be allocated within the established two-year time frame.


Development of Multi-Service Housing
Target 1999/01
170
Actual 1999/00
BC Housing is currently engaged in a consultation process however, no provisional approvals have been given.

REPORTING ON PERFORMANCE

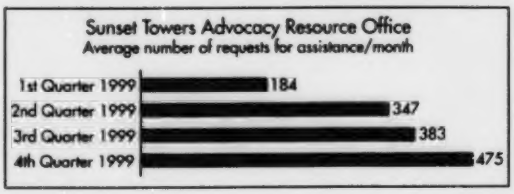
Responding to emerging housing needs through the existing social housing portfolio

In addition to the construction of new rental housing, the BC Housing Health Services Program and the Sunset Towers Advocacy Resource office represent two major initiatives designed to explore alternative approaches for using existing social housing to respond to emerging housing needs.



BC Housing Health Services Program

Through a funding partnership with the Ministry of Health, the BC Housing Health Services Program seeks to improve access to social housing for those who have been diagnosed with a mental illness. The program is designed to provide advice and support to social housing providers who make units available. By the end of 2004/2005, the goal is to provide housing to 1,350 individuals, including 475 individuals to be housed through the program this year. As of March 31, 2000, 586 individuals had been housed.



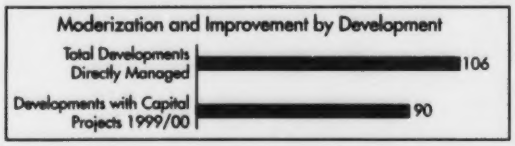
The Sunset Towers Advocacy Resource Office

Sunset Towers is one of BC Housing's largest developments with 490 units. In response to growing concerns about an increasingly frail population, the Sunset Towers Advocacy Resource project provides outreach to frail and isolated seniors and seeks to improve the overall level of co-ordination of services. Statistics collected for 1999/2000 show that Outreach Coordinators responded to an average of 347 requests for assistance per month as well as supported 17 different programs in the building.

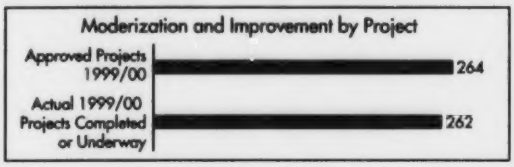
REPORTING ON PERFORMANCE

Well managed, sustainable existing housing

Across BC Housing's directly managed portfolio, the average age of the housing stock is 27 years. In 1999/2000, $13 million in capital funding was allocated to carry out work in 90 developments. This represents 85 per cent of BC Housing's directly managed housing.



In 1999/2000, 264 capital improvement projects were initiated in BC Housing's directly managed portfolio. As of March 31, 2000, 99 per cent of the projects were completed. This is part of an ongoing program to preserve and maintain the existing portfolio of social housing.



Healthy, active and inclusive communities

BC Housing supports a number of programs designed to build and foster healthy, active and inclusive communities. Over the past year, these programs have generated a high level of interest and participation.

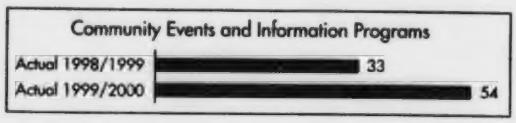
BC Housing also plays a key role in the province's disaster preparedness response programs including providing emergency preparedness training to staff, tenants and groups in the community. In providing this training, BC Housing is working to increase the community's capacity to not only respond in an emergency situation but to provide support to others.

Community Building Activities	
	Program Participants
People Plants and Homes (PPH)	4,082
Tenant Conference	98
Student Tenant Employment Program (STEP)	54
Event-specific grants for tenant activities	50
Tenant Association Grants (TAG)	42
Bursary program applicants	143
Bursaries awarded	47
First Aid/CPR workshops	250

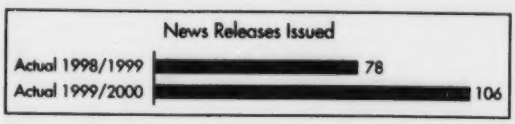
Emergency Preparedness	
	Courses
Personal preparedness	30
Rapid damage assessment	25

REPORTING ON PERFORMANCE

Increased Public Awareness and Political Support



In 1999/2000, BC Housing held or participated in 54 housing events. This includes ground breaking and opening ceremonies, local housing forums, workshops, special events and public information campaigns.



In 1999/2000, BC Housing issued 106 news releases related to our programs and activities and tracked 466 printed articles and broadcast transcripts resulting from positive media coverage of BC Housing developments and affordable housing issues. The number of news releases for 1999/2000 was 36 per cent higher than the previous year.

REPORTING ON PERFORMANCE

A RESPONSIVE, ADAPTIVE AND ACCOUNTABLE ORGANIZATION

A high performance workplace requires a commitment to innovation and to maintaining high standards in the delivery of services. The following provide some potential performance measures taken from the 1998/1999 staff survey which will help us to judge the extent to which BC Housing been successful in fostering a work culture of trust, commitment to teamwork and excellence and openness to change.

Staff Satisfaction	
BC Housing staff responded:	
I get a sense of satisfaction from the work that I do at BC Housing.	90%
I think that BC Housing is a good organization to work for.	84%
The need for balance between work and personal life is respected here.	74%
The amount of work I am expected to do is reasonable	62%

Our ability to move forward as an organization depends on the strengths and capabilities of those who work at BC Housing. Investing in training and the development of core competencies is essential for ensuring that staff feel prepared for meeting future challenges. The following responses from the staff survey provide a general sense of the extent to which staff across BC Housing feel effective in their jobs. It also provides a measure of the extent to which staff feel that they have the necessary training.

A follow-up survey is planned for the fall of 2000/2001, thereby allowing us to continue to track our progress as an organization.

Staff Training	
BC Housing staff responded:	
I feel effective in my job.	92%
I feel confident that I have enough training to do my job.	91%
I have the proper knowledge, equipment and resources to do my job.	86%
I feel that BC Housing offers good training programs for employees to improve their skills.	62%

GOVERNANCE FRAMEWORK

BC Housing's Board of Commissioners and senior management believe that it is the responsibility of each and every Board and staff member to be respectful and responsible in all of our endeavors and to maintain the highest standards of integrity, quality and competence in the delivery of all of our programs and services

In September 1998, the Board of Commissioners adopted a series of guiding principles which guide all aspects of BC Housing's performance. Through the 1999/2000 corporate planning process, these principles were re-affirmed by the Board and have formed the basis of 1999/2000 Corporate Plan. However, in order for an organization to live by its core values and guiding principles, it is important to ensure that the organization is grounded by a solid governance framework.

In keeping with this priority, the Board established a governance committee last year which was given the responsibility of creating and implementing a new governance framework for BC Housing. Through the work of this Committee, there are now clearly defined operating guidelines in place that support the work of both the Board and its committees. In addition, the roles and responsibilities of the Board, the Chair of the Board, and the Chief Executive Officer have been clearly defined.

The governance framework which was established also articulates the standards of conduct for members of the Board and defines the processes by which the Board gives direction on matters of strategy and policy.

The Board's Governance Committee will periodically review and update the policies and guidelines which have been established and will update the organization's governance practices as required to ensure that they are in keeping with the continuing and emerging priorities of BC Housing and the government.

In addition to the governance framework, the development of BC Housing's integrated strategy and business plan, or what is often referred to as the Corporate Plan and the development of quarterly accountability reports for the Board have also been significant milestones for this year. Working in collaboration with senior management, the Corporate Plan has integrated the vision of the organization with its day-to-day activities.

Special purpose committees are another means through which staff and members of the Board work together. Participation in special purpose committees provides opportunities for BC Housing to draw on the wealth of knowledge and expertise of individual Board members and helps to ensure that the Board and senior management are "on the same page". There were a number of special purpose committees that have been active over this past year including the:

- Audit and Finance Committee;
- Corporate Planning Committee;
- Governance Committee;
- Homelessness Committee; and
- Redevelopment Committee.

In addition, there is Board representation on BC Housing's Multiculturalism Committee and on the Public Housing Advisory Council.

This has been an important year for BC Housing's Board of Commissioners – a year that has helped to put into place a solid foundation for the future. Having formalized our vision and having put forward a strategy for realizing that vision, it is now important for us to execute that strategy vigorously and to move forward into 2000/2001 in a spirit of respect, creativity, innovation and teamwork.

GOVERNANCE FRAMEWORK

BC Housing's Board of Commissioners

Board Committees

Audit and Finance Committee: Jim Hilton (Chair), John Colbourne, Mervyn Romilly, Victor Wong

Corporate Planning Committee: Lily Chow (Chair), Nora Curry, Mervyn Romilly

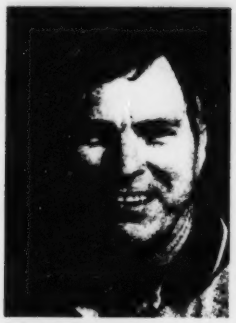
Governance Committee: Marleen Morris (Chair), Nora Curry, Jeff West

Homelessness Committee: Judy Villeneuve (Chair), Lily Chow, Bob Friedland, Celene Fung, Jeff West

Redevelopment Committee: Keith Goodwin (Chair), John Colbourne, Nora Curry, Jim Hilton, Mervyn Romilly

Not pictured: Lily Chow

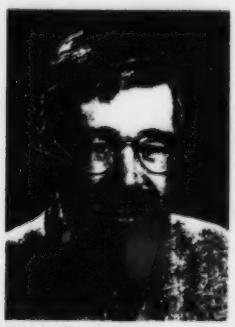
Jim O'Dea (Chair)


John Colbourne

Nora Curry

Bob Friedland

Celene Fung


Keith Goodwin

Jim Hilton

Marleen Morris

Mervyn Romilly

Jeff West

Victor Wong

Judy Villeneuve

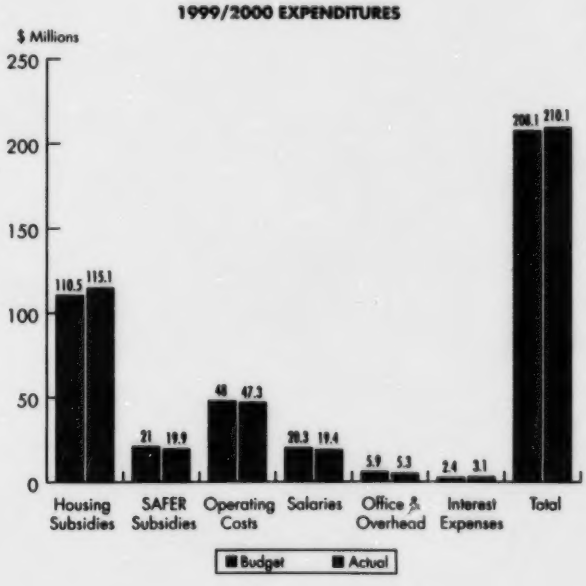
REPORT FROM THE CHIEF FINANCIAL OFFICER

Irene Young

For the 1999/2000 fiscal year, BC Housing had an approved budget of $208 million for the delivery of secure, well managed, affordable housing for people who could not otherwise access suitable housing. BC Housing continued its commitment to provide affordable housing through a mix of programming that included public housing (7,800 units), non-profit societies and housing co-ops (25,700 units), senior's shelter allowances (12,300 units), supported independent living subsidies (1,260 units) and a mix of other programs such as private and public rent supplement assistance (2,400 units), the BC Rental Supply Program (400 units), and other provincially-funded units targeted to respond to specific needs (970 units). In addition, BC Housing provided building management support services for other provincial ministries at an estimated cost of $10.7 million.

Total expenditures for the 1999/2000 fiscal year were within one per cent of the approved budget primarily because of increased housing subsidy costs. Housing subsidy costs exceeded budget because actual interest and inflation rates were higher than the assumptions Canada Mortgage and Housing Corporation (CMHC) directed to be used in the budget model for non-profit housing programs cost shared by the federal and provincial levels of government. The budget model also did not allow for the net cost of settlements from financial reviews of federal/provincial non-profit housing societies. These additional costs have been claimed from the federal government through CMHC and the provincial government in accordance with the funding agreements.

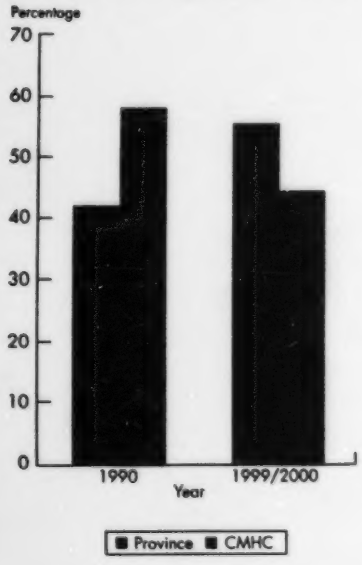
1999/2000 EXPENDITURES



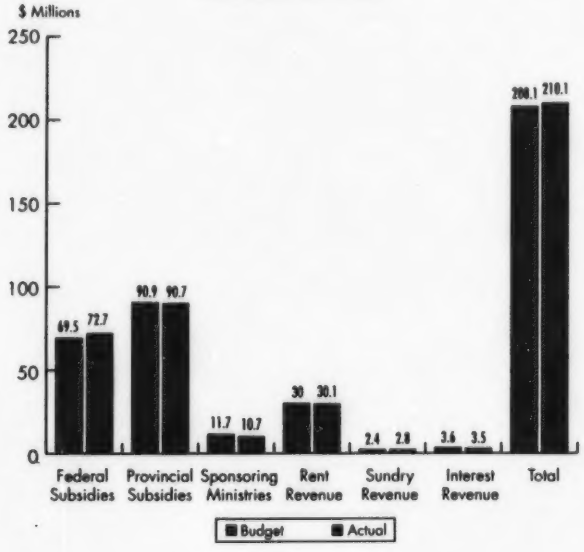
REPORT FROM THE CHIEF FINANCIAL OFFICER

BC Housing's primary funding sources were contributions from the provincial government of $90.7 million (43 per cent – excluding recoveries from sponsoring ministries), contributions from the federal government through CMHC of $72.7 million (34.5 per cent) and tenant rent revenues of $30.1 million (14.3 per cent). The balance of funding was derived from building support services to other ministries and interest revenue. Since 1994, when the federal government ended funding support for the development of new social housing, the proportion of federal funding has been gradually reduced relative to the provincial contribution. The provincial contribution has increased over the past decade because of the provincial government's commitment to develop new social housing through the HOMES BC program and because of the transfer of responsibility for the administration of the SAFER program to BC Housing in 1997.

Ratio of Provincial/Federal Contributions



1999/2000 REVENUES



REPORT FROM THE CHIEF FINANCIAL OFFICER

In 1990, the relative proportion of government funding was 58 per cent from CMHC and 42 per cent from the provincial government. In the 1999/2000 fiscal year, the relative contributions demonstrated a continuing trend of shifting the funding burden towards the provincial government, which provided 55.5 per cent of government contributions compared to CMHC's 44.5 per cent share. The provincial government and CMHC have renewed discussions to transfer the administration of the federal social housing stock and related programs to BC Housing and negotiations will focus on determining an acceptable level of funding to be transferred to support the additional stock of housing.

BC Housing earns rental revenue from the directly managed portfolio and from properties managed on behalf of other ministries, primarily group homes. Although total rental revenue generated in 1999/2000 was very close to budget, tenant rent revenue from the directly managed portfolio has been declining over the past several years. Because rent is set as a percentage of tenant income (usually 30 per cent), rent revenue decreases as tenant income decreases. Thus the decline in tenant rent revenue reflects BC Housing's commitment to house those in greatest need.

Providing Support to Other Ministries

BC Housing provides a variety of building management support and administration services for the Ministry for Children and Families, the Ministry of Social Development and Economic Security, the Ministry of Women's Equality and the Ministry of Health on a cost recoverable basis. In the 1999/2000 fiscal year, BC Housing was responsible for the administration of 608 group homes providing approximately 3,000 housing units at a cost of $6.4 million.

The Supported Independent Living Program (SILP) in partnership with the Ministry of Health is a supported housing program that enables people with severe and persistent mental illness to live independently in affordable, self-contained housing. The Adult Mental Health Division of the Ministry of Health funds the shelter component of SILP, which is administered by BC Housing. At March 31, 2000 1,263 individuals were receiving rental assistance of an average of $260 per month for a total annual cost of about $4 million.

The BC Housing Health Services program is designed to provide consultation and support to social housing providers who in turn make units available to individuals who have been diagnosed with a mental illness. This program is completely funded by the Ministry of Health for a total annual cost of $720,000.

HOMES BC

From the inception of the HOMES BC program in 1994 until March 31 2000, 3,008 units have been completed. In the 1999/2000 fiscal year nearly $18 million in subsidies was paid to various non-profit groups for the operation of HOMES BC housing units. Subsidy costs increased by $3 million over the previous fiscal year reflecting the additional cost of 739 new HOMES BC units that had been completed in the 1999/2000 fiscal year. Sponsor subsidies are based on the amount by which the economic rent of the proj-

REPORT FROM THE CHIEF FINANCIAL OFFICER

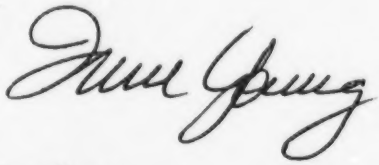
ect exceeds the aggregate tenant rent. The largest component of economic rent is mortgage debt, which comprises on average 60 per cent of the total operating costs of a project.

Last year, BC Housing borrowed approximately $80 million from the Ministry of Finance to fund short-term construction loans to non-profit societies and co-operatives to enable the construction of new housing. In the 1999/2000 fiscal year, 739 new HOMES BC units and 44 group home units were completed. On March 31, 2000 an additional 22 projects representing 994 new housing units and one group home were under construction. When the projects are completed, the non-profit societies and co-ops borrow from private lenders to repay the construction loans and carry the mortgage liability on their own books. BC Housing administers all new mortgage financing as well as mortgage renewals on behalf of the societies and co-ops through a competitive bidding process. Last year the weighted average mortgage takeout rate was 6.38 per cent, an increase of .65 per cent from the 1998/99 fiscal year.

In 1997, BC Housing took a leading role within the construction industry by developing building envelope design standards to minimize the risk of leaky housing projects being constructed under the HOMES BC program. Specialists in building envelope design are required to review design drawings and conduct site inspections for all HOMES BC projects. Phase 3 of BC Housing's comprehensive review of all housing projects in the Lower Mainland built between 1983 and 1997 was ongoing in the 1999/2000 fiscal year. Phase 3 of the building envelope study consists of a detailed assessment of those buildings showing evidence of systemic failure and preparation of cost estimates for repairing each building. Since the beginning of this study, eleven projects for a total cost of $2.44 million have been completed and another eight, for an estimated cost of $5.5 million, are underway.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation (PRHC) is the land-holding corporation for provincially owned social housing. BC Housing administers PRHC, which buys, holds and disposes of real property, and leases residential properties to non-profit societies and co-operatives for housing developments. At March 31, 2000 PRHC owned real estate with a net book value of $337 million.



Irene Young
Chief Financial Officer

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Financial Statements
As at March 31, 2000 and 1999
Together with Auditors' Report

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Auditors' Report

To the Chair
British Columbia Housing Management Commission

We have audited the balance sheet of the **British Columbia Housing Management Commission** (the "Commission") as at March 31, 2000 and the statements of revenue and expenditures and Province's account and its cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

The financial statement balances for the prior year included for comparative purposes were audited by another firm of chartered accountants who reported without reservation in their auditors' report dated May 15, 1999.

Grant Thornton LLP

Vancouver, Canada

May 19, 2000

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Statement of Management Responsibility

The financial statements of the British Columbia Housing Management Commission have been prepared by management in accordance with generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost effective basis, that the financial information is reliable and accurate. The system of internal controls is monitored by internal auditors. Also, the Commission's external auditors independently perform such tests of the system of internal controls, as they consider necessary for the purpose of expressing their opinion on the financial statements.

The Audit and Finance Committee, which is comprised of directors who are not employees, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Shayne Ramsay
A/Chief Executive Officer

Irene Young
Chief Financial Officer

May 19, 2000

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Balance Sheets
As at March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
ASSETS		
CURRENT ASSETS		
Cash	$ 2,827	$ 1,633
Prepaid expenses and housing subsidies	9,070	8,750
Accounts receivable	6,841	6,950
Due from Province of British Columbia	6,325	4,915
Due from Canada Mortgage and Housing Corporation	5,740	4,974
Current portion of mortgages receivable (note 4)	103	93
Construction loans provided to housing projects (note 3)	43,764	31,909
	74,670	59,224
DUE FROM PROVINCIAL RENTAL HOUSING CORPORATION (note 7)	0	3,118
MORTGAGES RECEIVABLE (note 4)	3,995	3,810
LONG-TERM RECEIVABLES	1,103	746
PROPOSAL DEVELOPMENT ADVANCES (note 5)	3,117	2,467
LONG-TERM INVESTMENTS (market value $12,990)	13.091	12,400
CAPITAL ASSETS (note 6)	1,069	1,019
	$ 97,045	$ 82,784
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 12,528	$ 14,263
Tenants' prepaid rent	624	549
Due to Provincial Rental Housing Corporation (note 7)	204	0
Due to Provincial Treasury (note 3)	61,226	44,297
	74,582	59,109
SOCIETIES' FUNDS HELD ON DEPOSIT (note 8)	14,292	13,451
GRANTS RECEIVED IN ADVANCE OF CONSTRUCTION (note 9)	323	1,581
DEFERRED CONTRIBUTIONS		
Self Insurance Funds (note 10)	2,731	2,287
Group Home Replacement Funds (note 11)	4,559	3,198
PROVINCE'S ACCOUNT	558	3,158
	$ 97,045	$ 82,784

COMMITMENTS (note 13)
CONTINGENCY (note 15)

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Chair

Member

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Statements of Revenue and Expenditures and Province's Account
For the years ended March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
Revenue		
Provincial contributions	$ 98,445	$ 96,584
Federal contributions	72,680	73,193
Tenant Rent	30,096	30,169
Sundry	6,269	6,419
	207,490	206,365
Expenditures		
Housing subsidies	135,010	129,374
Salaries and labour	19,428	19,691
Building mortgage costs	12,990	13,022
Building modernization and improvement	10,184	11,264
Building maintenance	7,229	7,422
Utilities	6,186	5,551
Operating expenses	5,953	5,594
Office and overhead	5,274	5,215
Grants in lieu of property taxes	4,752	4,539
Interest expense	3,084	1,560
	210,090	203,232
Excess of (expenditures over revenue) revenue over expenditures	(2,600)	3,133
Province's account, beginning of year	3,158	25
Province's account, end of year	$ 558	$ 3,158

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Statements of Cash Flows
For the years ended March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
Cash provided by (used by):		
Operating activities		
Excess of (expenditures over revenue) revenue over expenditures	$ (2,600)	$ 3,133
Depreciation	784	1,041
Self insurance funds	444	286
Group home replacement funds	1,361	326
Changes in non-cash operating working capital	(4,047)	(7,301)
Cash provided by (used by) operating activities	(4,058)	(2,515)
Investing activities		
Mortgages receivable	(195)	267
Long-term receivables	(357)	(132)
Proposal development advances	(650)	2,332
Construction loans provided to housing projects	(11,855)	10,924
Long-term investments	(691)	5,886
Additions to fixed assets	(834)	(935)
Cash provided by (used by) investing activities	(14,582)	18,342
Financing activities		
Due from/to Provincial Rental Housing Corporation	3,322	(17,572)
Due to Provincial Treasury	16,929	(7,837)
Societies' funds on deposit	841	(484)
Grants received in advance of construction	(1,258)	(5,166)
Cash provided by (used by) financing activities	19,834	(31,059)
Increase (decrease) in cash during the year	1,194	(15,232)
Cash, beginning of year	1,633	16,865
Cash, end of year	$ 2,827	$ 1,633

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Notes to Financial Statements
For the years ended March 31, 2000 and 1999

1. General

The British Columbia Housing Management Commission is a Crown agency, established in 1967, responsible for developing new social housing under the Province's Homes BC program, for administering the Province's Shelter Aid for Elderly Renters program, and for administering a variety of other federal/provincial housing programs. The Commission manages public housing stock and administers agreements relating to units managed by non-profit societies. The Commission ensures that provincial housing policy is reflected in its programs and that these are delivered in a co-ordinated, cost-effective manner.

The Commission and its employees contribute to the Public Service Superannuation Plan administered by the Superannuation Commission of the Provincial Government.

The expenditures and revenues of the programs administered by the Commission are reported in Schedule 1.

2. Significant Accounting Policies

a) Amortization of cost of projects

These statements do not include the capital cost of the projects. However, amortization on capital costs is in part payable to the Provincial Rental Housing Corporation ("PRHC") and in part credited to Canada Mortgage and Housing Corporation ("CMHC") based on schedules they provide.

b) Tenant Rent Revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

c) Capital Assets

Capital assets are recorded at cost and depreciated over their estimated useful lives. Both computer hardware and software are depreciated on the straight-line method over three years. All other capital assets are depreciated on the straight-line method over five years.

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e) Financial Instruments

The Commission's financial instruments consist of cash and equivalents, accounts receivable and current liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximate their carrying values.

3. Construction Loans Provided to Housing Projects

In its capacity as a National Housing Act approved lender, the Commission funds construction draws for societies who are building approved projects under social housing programs. These advances are repaid at substantial completion of each project from financing arranged with private lenders. Societies are charged interest at the Province's weighted average borrowing rate for short-term funds, plus administration costs. The Provincial Treasury provides funding to the Commission for the purpose of advancing loans for construction. These loans are unsecured and bear interest at the Province's weighted average borrowing rate for short-term funds. The Commission has the authority to borrow up to a maximum of $110 million from the Provincial Treasury.

4. Mortgages Receivable

During 1993, an advance of $3,450,000 was made under the B.C. Rental Supply Program. This investment is secured by a second mortgage on a property and bears interest at 8% per annum during the first five years. Over the last 15 years, the effective rate is 9.58%.

During 1994, an advance of $401,000 was made under the Non-profit Housing Program, Section 95 of the National Housing Act. This investment is secured by a second mortgage on a property and bears interest at 7.81% annually over the term of 15 years.

During 1997, an advance of $200,000 was made under the Homes BC program. This investment is secured by a first mortgage on a property and bears interest at 8% annually over the term of five years.

During 1998, three advances totalling $322,766 were made under the Homes BC program. These investments are secured by first mortgages on properties and bear interest between 4.7% and 6.76% annually over five years.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Notes to Financial Statements
For the years ended March 31, 2000 and 1999

During 1999, an advance with a balance of $177,149 was repaid.

During 2000, one advance totalling $288,906 was made under the Homes BC program. This investment is secured by a first mortgage on the property and bears interest at 6.75% over five years.

5. Proposal Development Advances

Loan advances are made to sponsoring societies for needs studies, incorporation and site development costs. These advances are normally repaid upon project completion or remain outstanding for three years, at which time they are written-off.

6. Capital Assets

	2000 ($000's)			1999 ($000's)
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer software	$ 1,966	$ (1,819)	$ 147	$ 131
Computer hardware	2,208	(1,723)	485	454
Vehicles	572	(451)	121	105
Grounds equipment	231	(197)	34	35
Office furniture	371	(203)	168	198
Office equipment	251	(137)	114	96
Total	$ 5,599	$ (4,530)	$ 1,069	$ 1,019

7. Provincial Rental Housing Corporation

Amounts represent funds advanced for the acquisition and development of properties under the social housing programs.

8. Societies' Funds Held on Deposit

These funds represent the balance of mortgage advances held to cover various non-profit societies' construction and soft costs required to complete their projects. Interest accrues on the societies' funds at the Province's weighted average borrowing rate for short-term funds.

9. Grants Received in Advance of Construction

The Commission has received funds from the Province, the use of which is restricted to the construction of specific social housing projects. The changes in these grants during the year were as follows:

	Balance Beginning of Year ($000's)	Grant Receipts or Transfers ($000's)	Construction Costs Incurred ($000's)	Balance End of Year ($000's)
1992/93 Homeless Initiatives	$ 200	$	$	$ 200
1993/94 Homeless Initiatives	270		(239)	31
1994/95 Homeless Initiatives	–		–	–
1994/95 Homes BC	486		(394)	92
Singles Acquisition Strategy	625		(625)	0
Total	1,581	$	$ (1,258)	$ 323

10. Self Insurance Funds

These amounts are funded by the Province and CMHC, and provide for claims below the deductible amounts of insured properties and for uninsured losses.

	2000 ($000's)	1999 ($000's)
Balance, beginning of year	$ 2,287	$ 2,001
Additions	319	195
Interest earned	181	165
	2,787	2,361
Less: claims expense	(56)	(74)
Balance, end of year	$ 2,731	$ 2,287

11. Group Home Replacement Funds

These amounts are funded by the Province through the annual operating budgets for group homes and are used to fund major repairs and maintenance.

	2000 ($000's)	1999 ($000's)
Balance, beginning of year	$ 3,198	$ 2,872
Additions	2,249	1,377
	5,447	4,249
Less: expenditures for repairs and maintenance	(888)	(1,051)
Balance, end of year	$ 4,559	$ 3,198

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Notes to Financial Statements
For the years ended March 31, 2000 and 1999

12. Grants in Lieu of Taxes

The Commission, on behalf of the Province and CMHC, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

13. Lease Commitments

The Commission has minimum rental obligations under operating leases for office space over the next five fiscal years as follows:

	($000's)
2001	$ 1,743
2002	1,699
2003	1,594
2004	1,392
2005	1,424

14. Related Party Transactions

In the normal course of operations, the Commission acquired goods and services from the Province and certain crown corporations, under prevailing trade terms.

15. Contingency

In response to industry concerns and experience regarding building envelope failure, the Commission undertook a systematic review of non-profit and Co-operative owned buildings under its administration. Buildings included in the study are part of the Federal/Provincial housing portfolio. The Commission received preliminary estimates for the cost of remediation for a number of projects. These costs, subject to confirmation through detailed engineering studies or actual repairs, are estimated to be in the range of $20 million. These repairs will be undertaken by housing sponsors in the future and the resulting expenditures, if accepted and approved, will be cost-shared with CMHC and the Province based on various program funding formulae. Requests for funding of the repairs will be included in annual budgets and reimbursed based on actual costs incurred.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
Schedule 1
Expenditures and Revenue by Program
For the year ended March 31, 2000

	Federal/Provincial Cost Shared								
	Directly Managed				Non-Profit	Wholly Provincial Cost			
	Cost Share 75/25 (s79)	Cost Share 50/50 (s82)	Rent Supplement (s82(1)(a))	Rent Supplement (s82(1)(b))	Fed/Prov Housing (s95)	Group Homes	Homes BC	Other Programs	Total
	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)	2000 ($000's)
Expenditures:									
Housing subsidies	$ (199)	$ –	$ 1,553	$ 6,461	$ 74,407	$ 1,719	$ 22,876	$ 28,193	$ 135,010
Salaries and labour	9,111	2,715	389	336	1,540	1,338	2,673	1,326	19,428
Building mortgage costs	7,566	5,424	–	–	–	–	–	–	12,990
Building modernization and improvement	4,388	2,060	142	–	1,688	206	768	932	10,184
Building maintenance	3,142	1,272	145	23	954	523	789	381	7,229
Utilities	3,805	1,063	74	–	621	380	87	156	6,186
Operating expenses	2,728	1,203	155	(8)	612	407	596	260	5,953
Office and overhead	1,400	441	74	135	932	445	860	987	5,274
Grants in lieu of property taxes	2,484	1,041	20	–	457	288	169	293	4,752
Interest expense	40	9	37	25	293	–	–	2,680	3,084
	34,465	15,228	2,589	6,972	81,504	5,306	28,818	35,208	210,090
Revenue:									
Provincial contribution	3,775	4,385	1,041	3,648	28,367	3,369	23,133	30,727	98,445
Federal contribution	12,372	4,527	1,046	3,534	50,452	–	–	749	72,680
Tenant rent	19,051	6,721	433	–	1,376	27	1,639	849	30,096
Sundry	324	77	20	–	4	1,851	266	3,727	6,269
	35,522	15,710	2,540	7,182	80,199	5,247	25,038	36,052	207,490
Excess of Revenue over Expenditures	$ 1,057	$ 482	$ (49)	$ 210	$ (1,305)	$ (59)	$ (3,780)	$ 844	$ (2,600)

PROVINCIAL RENTAL HOUSING CORPORATION

Financial Statements
As at March 31, 2000 and 1999
Together with Auditors' Report

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Auditors' Report

To the Shareholder of the
Provincial Rental Housing Corporation

We have audited the balance sheet of the **Provincial Rental Housing Corporation** (the "Corporation") as at March 31, 2000 and the statements of revenue and expenditures and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied, on a consistent basis.

The financial statement balances for the prior year included for comparative purposes were audited by another firm of chartered accountants who reported without reservation in their auditors' report dated May 15, 1999.

Grant Thornton LLP

Vancouver, Canada

May 19, 2000

PROVINCIAL RENTAL HOUSING CORPORATION

Statement of Management Responsibility

The financial statements of the Provincial Rental Housing Corporation (the "Corporation") have been prepared by management in accordance with generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management depends upon a system of internal controls that provide reasonable assurance, on a cost effective basis, that the financial information is reliable and accurate. The system of internal controls is monitored by internal auditors. Also, the Corporation's external auditors independently perform such tests of the system of internal controls as they consider necessary for the purpose of expressing their opinion on the financial statements.

The Audit and Finance Committee, which is comprised of Directors of the British Columbia Housing Management Commission, oversees management's discharge of its financial reporting responsibilities. The committee meets periodically with management, the internal auditors and the external auditors to discuss auditing, financial reporting and internal control matters. Both internal and external auditors have access to the Audit and Finance Committee without management's presence.

Shayne Ramsay
A/Chief Executive Officer

Irene Young
Chief Financial Officer

May 19, 2000

PROVINCIAL RENTAL HOUSING CORPORATION
Balance Sheets
As at March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
ASSETS		
Investment in properties (note 3)	$ 336,645	$ 331,233
Due from British Columbia Housing Management Commission (note 4)	204	–
Debenture subsidy receivable	1,843	1,852
Term deposits	–	1
Cash	1	1
	$ 338,693	$ 333,087
LIABILITIES		
Long-term debt (note 5)	$ 143,120	$ 138,943
Unearned lease revenue	91,388	88,572
Funding in advance of construction (note 6)	4,577	4,461
Due to British Columbia Housing Management Commission (note 4)	–	3,118
Interest payable	765	784
	239,850	235,878
SHAREHOLDER'S EQUITY		
Share capital		
Authorized: 10,000 common shares, no par value		
Issued: 3 common shares at $1 each	–	–
Contributed surplus	82,441	82,441
Property acquisition contribution (note 7)	19,023	20,670
Accumulated deficit	(2,621)	(5,902)
	98,843	97,209
	$ [illegible]693	$ 333,087

The accompanying notes are an integral part of these financial statements.

Approved by the Board:

Director

Director

PROVINCIAL RENTAL HOUSING CORPORATION
Statements of Revenue and Expenditures and Accumulated Deficit
For the years ended March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
Revenue		
Directly managed debenture subsidy	$ 7,372	$ 7,404
Group home mortgage subsidy	8,227	9,454
Lease revenue	2,509	2,298
	18,108	19,156
Expenditures		
Depreciation	5,274	5,344
Interest on long-term debt	9,553	10,042
	14,827	15,386
Excess of revenue over expenditures	3,281	3,770
Accumulated Deficit		
Balance, beginning of year	(5,902)	(9,672)
Balance, end of year	$ (2,621)	$ (5,902)

The accompanying notes are an integral part of these financial statements.

PROVINCIAL RENTAL HOUSING CORPORATION
Statements of Cash Flows
For the years ended March 31, 2000 and 1999

	2000 ($000's)	1999 ($000's)
Cash provided from (used in):		
Operating activities		
Excess of revenue over expenditures	$ 3,281	$ 3,770
Depreciation	5,274	5,344
Changes in non-cash operating working capital	2,788	9,296
Cash provided by operating activities	11,343	18,410
Investing activities		
Property acquisition	(10,668)	(36,360)
Term deposits	1	128
Cash used in investing activities	(10,667)	(36,232)
Financing activities		
Funding in advance of construction	116	(16,365)
Long-term debt	4,177	13,529
Property acquisition contribution (note 7)	(1,647)	3,086
Due to/from British Columbia Housing Management Commission	(3,322)	17,572
Cash (used in) provided by financing activities	(676)	17,822
Change in cash position during the year	–	–
Cash position, beginning of year	1	1
Cash position, end of year	$ 1	$ 1

The accompanying notes are an integral part of these financial statements.

PROVINCIAL RENTAL HOUSING CORPORATION
Notes to Financial Statements
For the years ended March 31, 2000 and 1999

1. General

The Provincial Rental Housing Corporation (the "Corporation") was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown.

The Corporation holds property for social and other low cost housing for the Province. It also holds land under long-term leases to non-profit societies. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the "Commission"), which records the related rental revenue and is responsible for all of the operating and administrative activities and related costs.

2. Significant Accounting Policies

a) Investment in properties

The Corporation capitalizes its investment in properties at cost and depreciates its buildings on the straight-line method over 25 years.

b) Insurance

The Corporation does not insure its rental housing properties. Instead property losses are compensated for by the Province through the Commission and, for certain properties, by Canada Mortgage and Housing Corporation ("CMHC").

c) Directly managed debenture subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

d) Group home mortgage subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

e) Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed, and accordingly any interest earned by the Corporation is recorded by the Commission.

f) Property leases

The Corporation leases property used for housing projects to non-profit societies. These sixty year leases are prepaid by the non-profit societies when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

g) Net proceeds on property replacements

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to difficulties with the site. The proceeds from these sales are applied against the cost of purchasing alternate sites. Any surplus or deficiency is charged to property acquisition contribution.

h) Construction grants from the Province

For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs. The Corporation records the construction grants as property acquisition contribution when the projects are completed.

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

j) Financial Instruments

The corporation's financial instruments consist of cash and equivalents, accounts receivable and payables. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximate their carrying values.

PROVINCIAL RENTAL HOUSING CORPORATION
Notes to Financial Statements
For the years ended March 31, 2000 and 1999

3. Investment in Properties

	2000 ($000's)			1999 ($000's)
	Historical Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 264,575	$ –	$ 264,575	$259,408
Buildings	147,344	75,886	71,458	70,803
Construction in progress	612	–	612	1,022
Total	$ 412,531	$ 75,886	$ 336,645	$ 331,233

4. Due to/from British Columbia Housing Management Commission

Amounts represent funds advanced for the acquisition and development of properties under social housing programs.

5. Long-term Debt

	2000 ($000's)	1999 ($000's)
CMHC		
Debenture mortgages repayable at the end of each Year, over terms of up to 50 years maturing between the years 2004 and 2025, bearing interest at rates from 6.023% to 8.20% and secured by unregistered first mortgages on certain properties of the Corporation with a historical cost of $56,004,563	$ 41,641	$ 42,177
Chartered banks and CMHC		
Mortgages repayable monthly over terms of up to 35 years. Bearing interest at rates from 5.0% to 9.8%, and secured by registered first mortgages on various properties of the Corporation	101,479	96,766
	$ 143,120	$ 138,943

The aggregate repayment of principal required to meet total debt obligations in each of the next five fiscal years is estimated to be as follows:

	($000's)
2001	$ 19,852
2002	17,567
2003	23,527
2004	23,198
2005	27,527
Thereafter	31,449
	$ 143,120

6. Funding in Advance of Construction

This balance represents construction funding received or committed by other Provincial ministries in advance of property acquisition and construction of non-profit housing and group homes. Interest does not accrue on funds received.

7. Property Acquisition Contribution

	2000 ($000's)	1999 ($000's)
Property acquisition contribution, beginning of year	$ 20,670	$ 17,584
Net proceeds on property replacements	165	1,186
Net receipts from the Province	1,924	3,078
Repayments to the Province	(3,736)	(1,178)
Property acquisition contribution, end of year	$ 19,023	$ 20,670

PUBLICATIONS AVAILABLE FROM BC HOUSING

To order any of these publications, or for more information about BC Housing and affordable housing issues, visit the BC Housing internet site at www.bchousing.org or contact the nearest BC Housing office.

General Information Publications

Annual Report
BC Housing 2000–2001 Corporate Plan Summary
British Columbia's Strategy for Affordable Housing
Community Housing Initiatives Program
Business Plan 1999–2001
Cost-Effective Housing in British Columbia
Homelessness – A Call for Action
Introducing BC Housing
The Link – Maps, Buildings and Addresses
of Affordable Housing in British Columbia
The Introduction to The Link
(available in English, Chinese, Korean,
Punjabi, Spanish and Vietnamese)
Public Housing Advisory Council Strategic Plan
and 2000–2001 Action Plan
Rapid Damage Assessment – Field Manual
Shelter Aid for Elderly Renters (SAFER)
Application and Guide
Shelter Aid for Elderly Renters (SAFER)
Brochure
Tenant Handbook

Development Publications

HOMES BC Non-Profit Housing
Application Guidelines
HOMES BC Design and Construction Standards

Publications for Housing Providers

Non-profit Guide series
Corporate Responsibilities Guide
Emergency Preparedness Guide
Financial Responsibilities Guide
- Financial Reporting Requirements
- Deferral with Fund Accounting –
Sample Financial Statements

Housing Programs Guide
Maintenance Guide
Rent Calculation Guide
Resident Relations Guide
Resident Involvement Kit
Tools for HOMES BC Operators

Affordable Housing Opens Doors

Boxed set of six videos
Fact sheets
Affordable Housing in British Columbia
Myths and Attitudes about Social Housing
The Facts on Special Needs Housing
The Facts on Homelessness
The Facts on Housing Need
Working Toward Solutions

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Tel: 604-433-1711
Fax: 604-439-4722
Program and Information Line: 1-800-257-7756

Storefront Office
4328 Kingsway
Burnaby, BC V5H 2A5

Storefront Office – effective Fall 2000
101 - 4555 Kingsway
Burnaby, BC V5H 4V8
Housing Services/SAFER
Enquiry Line: 604-433-2218
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Fax: 604-609-7031

Lower Mainland East Regional Office
7337 Edmonds Street
Burnaby, BC V3N 1A7
Tel: 604-525-3033
Fax: 604-525-8201

Southern Interior Regional Office
290 Nanaimo Avenue West
Penticton, BC V2A 1N5
Outside Penticton call: 1-800-834-7149
Tel: 250-493-0301
Fax: 250-492-1080

Northern Interior Regional Office
1539 - 11 Avenue
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